



Norman H. Bangerter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

M/047/013

Date: DECEMBER 23, 1992

Number of Pages Including This Cover Sheet: 5

TO: WILLIAM J. HYLAND
VICE PRESIDENT FINANCE
ZIEGLER CHEMICAL & MINERAL CORP.
100 JERICO QUADRANGLE, JERICHO, N.Y.

Phone: (Fax) (516) 681-9604

FROM: D. WAYNE HEDBERG

Minerals Reclamation and Development Program

Phone: (801) 538-5340

FAX: (801) 359-3940

SUBJECT: IRREVOCABLE LETTER OF CREDIT
(REQUIRED FORMAT)

REMARKS: SPOKE WITH NORMAN HASLEM THIS AFTERNOON
ABOUT PROBLEM WITH EXISTING ILOC. IT
DOESN'T MEET CURRENT FORMAT REQUIRED
BY OUR BOARD. PLEASE CONTACT
JOELLE BURNS OR HOLLAND SHEPHERD
IF YOU HAVE QUESTIONS BEFORE JAN 4TH/93.

Should you encounter any problems with this copy, or do not receive
all the pages, please call

MN9/61

Letter of Credit No. _____

Issuing Bank/Surety _____

Date: _____

Expiration Date _____

UTAH DIVISION OF OIL, GAS AND MINING
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Gentlemen and Ladies:

1. _____ [Name of Bank or Surety], ("Surety or Bank")
_____[city/state], hereby establishes this irrevocable letter of credit
(the "Letter of Credit") in favor of the Utah Division of Oil, Gas and Mining ("Division") for an aggregate amount
not to exceed \$ _____ [reclamation cost estimate] in United States dollars
("Face Amount") effective immediately.

2. This Letter of Credit will expire upon the first event set forth as follows: (a) 5:00 o'clock p.m. (Salt
Lake City time) on _____ [expiration date] or (b) the date upon which sufficient
documents are executed by the Division to release _____ ("Operator") from further
liability for reclamation of the _____ [mine] _____ [mine permit #]
with notice to Bank or Surety by the Division accompanied by the original Letter of Credit with directions for
cancellation.

3. This Letter of Credit will be automatically extended for successive periods of one year from the current
or any future expiration date unless the Surety or Bank gives notice to the Division 90 days prior to the expiration
date that the Surety or Bank elects not to renew the Letter of Credit.

4. Funds under the Letter of Credit are available against the Division's sight draft, in the form of Exhibit
A, specifying Letter of Credit No. _____ delivered to the office of the Surety or Bank,
_____[address]. At the Division's sole election,

the Division may present sight drafts for less than the Face Amount so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the Division.

5. If the Surety or Bank receives the Division's sight draft(s) and certificate(s) as provided in Paragraph No. 4 above on or before the expiration or termination of this Letter of Credit, the Surety or Bank will make such amount as the Division may specify, within the limits of the second sentence of Paragraph No. 4 of this Letter of Credit, available to the Division no later than the close of business, Salt Lake City time, on the second business day following the Surety's receipt of the sight draft and certificate and in such a manner as the Division may specify.

6. The Surety will give prompt notice to the operator and to the Division Director of any notice received or action filed alleging the insolvency or bankruptcy of the Surety, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Surety's charter or license to do business.

7. The Letter of Credit will be governed by the laws of the State of Utah and shall be subject to the Uniform Customs and Practice for Documentary Credit, 1983 revision, International Chamber of Commerce Publication No. 400, as the same may be amended and in effect from time to time ("UCP"). In the event of a conflict between Utah law and the UCP, Utah law shall govern.

8. All communications regarding this Letter of Credit will be addressed to the Surety or Bank _____ [address], referencing Letter of Credit No. _____.

Very truly yours,

The Surety/or Bank

By: _____

Title of Authorized Officer:

EXHIBIT A

Date City, County Letter of Credit No.

PAY TO OURSELVES * _____ DOLLARS

TO: Utah Division of Oil, Gas and Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

The Utah Division of Oil, Gas and Mining

Authorized Signature

*By wire transfer in United States dollars to: The Division of Oil, Gas and Mining.



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EXHIBIT B

I, _____ a duly authorized representative of the Utah Division of Oil, Gas and Mining, hereby certify that (1) the drawing in the amount of \$ _____, by sight draft accompanying this certificate, under Letter of Credit No. _____ dated _____ issued by you is permitted under the provision of the Letter of Credit, (2) the Letter of Credit has neither expired nor terminated pursuant to its terms, and (3) the amount of the sight draft, together with any amounts previously drawn under the Letter of Credit, does not exceed the Face Amount. Proceeds of this drawing will be utilized in full to pay the expenses relating to the reclamation liability for the _____ [mine], _____ [mine permit #].

The Utah Division of Oil, Gas and Mining

By: _____
Authorized Signature

Date _____

3:Letterfor

*****:*****:*****

** TRANSMIT CONFIRMATION REPORT **

Journal No. : 010
Receiver : 15166819604
Transmitter : DIV OIL GAS & MINING
Date : Dec 23, 92 16:01
Document : 05 pages
Time : 02'27"
Mode : G3 NORMAL
Result : OK

M/047/013